

## **African Traders in Guangzhou, China: Routes, Profits, and Reasons**

Yang Yang

In mid-July 2009, a local Guangzhou police station was surrounded by more than 100 African protestors. A man had previously been in an illegal money exchange store during a police raid, and without a legal visa document, he fled and jumped from the second floor window to bad injury. The African community was furious towards the frequent immigration raids and took the dead man's body to the police station, expressing their anger and demands for justice. The event brought worldwide media attention to the existence of a large African population in southern China, who live at the margins of law in trading goods between China and Africa, which I became interested in studying.

In the past decade, tens of thousands of African traders have arrived in Guangzhou, the center of China's "world factory" and a neighboring city of Hong Kong. It is estimated that in 2009 there were about 20,000 Africans living long-term in Guangzhou and thousands of more visiting the city regularly for visits (SCMP 2009). They gather around several major wholesale markets near the old railway station in the city and purchase Chinese manufactured goods in bulk for shipping back to West Africa. Many traders manage to open their own shops and become middlemen in the lucrative global business. Due to the large African population, the district such as Sanyuanli and Xiaobei has become known as "Chocolate City", "Little Africa", and "Guangzhou's Harlem". Large proportions of the goods are either illegitimate in the home countries of these traders or related to illegal or semi-legal business activities such as counterfeiting, smuggling, and underground banking. Reliable and smooth handling of the goods and money is therefore ensured only through personal networks. Nonetheless, traders often find themselves facing bankruptcy and not just because of bad business management, but more often than not, China's visa policy and local corruption. Based on my fieldwork in Guangzhou, this paper attempts to explore the routes, profits, and reasons of the African traders in southern China through individual stories. It discusses the organization of the market as well as individual economic activities reflecting a globalization from below, where traders with relatively small capital become upwardly mobile by standing on the shoulders of the giants, or more directly, by selling their Herculean sandals out from under them, that is, by taking advantage of the infrastructural advancements made possible in the modern age of globalization, such as fast international transportation, convenient communication, mass manufacturing, brand recognition, for short term gains.

The trading activities of the Africans in Guangzhou represent an economic "underworld", a world that is not only untraceable by customs or survey institutes, but is also rapidly proliferating throughout the developing world. Although numerous papers have been published on Chinese investment and interests in African countries (Alden 2007; Mohan and Power 2009; Prah 2007; Rotberg 2008; Tull 2006; Waldron 2008), the number of research studies conducted on the topic of Africans in China is limited. Li et al (2009) from the Geography Department of Sun Yat-Sen University

gathered information through surveys from the traders and argued that an ethnic enclave had formed in Guangzhou, which resulted in racial conflicts and social instability. The paper aims at mapping a transnational space where Africans are experiencing segregation in Guangzhou and it has shown the socio-economic impacts that the trade is having on the local community. Li et al argue from the perspective of the local community and the transformation of urban space as a result, while leaving aside the discussion of how the trade is significant in the larger picture of China-Africa connection and globalization process. However, the traders, the Chinese factories owners, and the governments of the nations involved obviously have a different vision of what a future should look like, which need to be addressed further.

There are several books exploring African diaspora communities working in the informal economy. MacGaffey and Bazenguissa-Ganga (2000) discusses the stories of Congolese traders in France. Half of the African informants in the book are *sapeurs*, who wear expensive and often outlandish clothing celebrating their social status and trade by accommodating to the needs of African migrants in the region. The traders are divided into three categories: undocumented migrants, students who failed academically, and former government employees, whose opportunities for achieving better lives are hindered by their societies back home. By selling forged passports, smuggling goods, and dressing in showy styles, these traders reject mainstream society. The authors argue that the traders' activities represent a “second economy” which is legally, spatially, and institutionally marginalized, and that the disorder of the community is essentially a way of life and resistance for the disempowered (MacGaffey and Bazenguissa-Ganga 2000: 171). Stoller (2002) discusses West African street vendors, often Muslims from Senegal, Mali, Niger, and Gambia, earning a living in the Harlem district, selling African masks, drums, patterned cloth, and African music tapes. He describes the reproduction of West African-style markets in America and the socio-economic problems that many traders have to face while trying to support their relatives back home.

This paper is similar to these studies, but focuses on the informal economy in China. China's position in the world system is ambiguous—while China is the world's second largest economy, it is also still a developing country; beyond this, it is relatively closed in terms of immigration policy. To use Appadurai's scapes (2006), China in its ethnoscapes is largely homogeneous; its strict immigration policy makes it hard for foreigners, especially those from the developing world, to obtain Chinese visas. In terms of mediascapes, mass media in China are government controlled and in Chinese; the local people speak very little English. I have heard many recounts of fraud enabled by simple language barriers for the Africans in Guangzhou. In terms of finanscapes, almost every trader avoids using the official Chinese banks because of the complex and bureaucratic money exchange protocols. They instead look to underground banks, at the risk of being caught in a police raid. Nonetheless, China still attracts numerous West African traders, for reasons that are distinctively different from the cases of Congolese in France or West African Muslims in New York: they only want to make money in China and very few would like to live

in China, a sentiment often shared freely and openly by African traders.

This paper is also concerned with the larger context of globalization, particularly focusing on the lives of the socio-economic grassroots and their roles in the globalizing world. Scholte (2005) indicates that there are four main policy approaches (each represents an ideology) toward globalization: neoliberalism, rejectionism, reformism, and transformism. Firstly, the neoliberalist approach encourages market-led environment and liberalization of cross-border transactions (Scholte 2005: 38-41). The Guangzhou African market is similar to *laissez-faire* in a sense that there is very little governmental control over the industrial and sales chain, but it is primarily because the governments can/do not control it. However, there are factors that make it not entirely like neoliberalism: many traders with illegal visa need to hide from the police; the traders pay off the locals to rent housing and exchange money at illegal stands; they also need to pay off Customs officials in western Africa when they smuggle goods back home. Moreover, liberalizing markets and borders have already led to deindustrialization in Sub-Saharan African countries, whose vulnerable infant industries were severely damaged after the opening of their domestic market (Alden 2007; Carmody 1998; Chakraborty and Khan 2008; Zafar 2007).

Secondly, rejectionism is to the opposite of neoliberalism – it tends to block the transnational trade and reject the idea of globalization (Scholte 2005: 41-42). Bello (2002) advocates for de-globalization, meaning production should be operated and consumed by the local community and TNCs (transnational corporations) should be excluded. It is the same rejectionism that Nigeria had when it totally banned the importation of textile and some other products in 2002 to fence off foreign competition (BBC 2002). Africa's rejectionist action evidently failed as both Chinese and African petty entrepreneurs bring in clothing and footwear through ports and air daily. It could be argued that it is almost impossible to block international connection out of a community or a country in the 21<sup>st</sup> century (Aronowitz and Gautney 2003; Micklethwait and Wooldridge 2003; Scholte 2005).

Reformism and transformism both oppose the extremes of neoliberalism or rejectionism. Reformists propose that there should be a global governance to regulate international transactions and policies in order to achieve better management of globalization (Scholte 2005: 42-44). Transformists seek to build up new institutions outside of conventional governments and mainstream parties and to support the oppressed, such as workers, farmers, minorities and so on (Scholte 2005: 45). These two approaches are becoming more popular and applicable in today's context of globalization, since it is true that we could neither escape the fate that countries will be increasingly inter-connected or diminish all trade barriers and national borders (Aggarwal 1985). Through a solution of “the third way”, transcending both “old-style social democracy” (government taking care of its citizen with few conditions) and neoliberalism and reconciling market and government, humanity could find a better future for our globalizing world (Giddens 1998; Kapstein 2001).

Transformism is especially useful to my study, as the African traders are in a marginalized status in a sense that many of them are involved with holding invalid

visa and doing business in an informal economy disapproved by governments and corporations. Moreover, the counterfeit goods that they buy and sell are often accused by property right protectors and economists (Choate 2005; Engardio 2007; Midler 2009). The question is: in an age of dividing winners and losers and “winner-take-all” economy (Micklethwait and Wooldridge 2003), where could the losers go? The social grassroots (“street vendors, micro-entrepreneurs, subcontractors...”) are involved in shaping an alternative to the conventional system, a new mode of production, a postmodern economics that “prevent them from being insurgents” (Burbach et al 1997). It is a “globalization from below” where the lower strata of the society attempts to participate and benefit from the world economy (Falk 1999; Li et al 2009; Mathews 2007). By all means, the African traders as well as the local business partners in Guangzhou are a mobilizing force that is not only self-interested but also symbolically grassroots globalization.

The four approaches of globalization could be found on many interest groups that are involved in studying African traders in Guangzhou: the traders and Chinese small factory owners clearly prefer neoliberalism with minimum government intervention or tax policy; Sub-Saharan countries have the intention to block off smuggling with rejectionism; in the area of textile trade, WTO acts as global governance; while transformist intellectuals argue that counterfeiting and grey market are giving power to the weak (Burbach et al 1997; Zhong 2009). Relating to the previous literature, my study aims to contribute to the study of Africans in China from an emic perspective in the larger map of Sino-Africa trade as well as the correlation between informal economy and globalization.

By describing the lives of the African traders in China, this paper seeks to contribute to the knowledge of contemporary African diasporas in general, and the African diaspora community involved in China’s informal economy in particular, in its context of being economically open, but politically closed to foreign traders. Through the flow of goods and people between the African continent and China, we can understand what globalization means for petty entrepreneurs, who trade in places where they are entirely cultural outsiders and where they risk running afoul the law in their course of business.

### **Who are they and where do they come from?**

The China-Africa trade relation was established as the PRC government was founded. From 1949 to 1977, the relationship was political as China assisted Africa with food, money, living necessities, and military training to fight against colonialism and hegemony (Li, 2008: 23-25). After the 1978 Reforms, more emphasis had been put on economic cooperation: China seeks to obtain from African countries, raw materials such as crude oil, iron, cotton, and diamonds; African imports from China include electrical appliances, textiles, machinery, chemicals and so on (Ampiah and Naidu, 2008: 7-8; Li, 2008: 31). It was also after the Reform that China embraced a more liberal economy and its manufacturing industry became increasingly privatized and deregulated. Guangzhou became known as the “world's factory” as the private

manufacturers flourished in southern China, where cheap goods are produced with low labor costs. Around the same time, market demand in the populous region of West Africa underwent a rapid expansion. For instance, the Nigerian markets rely heavily on imports, earning Nigeria a reputation as the “cargo economy”-- “ships laden with containers docking at Nigeria’s ports and returning almost empty to their places of origin, as Nigeria does not have much to export” (Ogunsano, 2008: 198). On the other hand the country has fragile and malformed democratic institutions, where individual life and property cannot be ensured with safety, particularly from Nigeria’s excessively corrupt government (Alden, 2007: 68; Ogunsano, 2008: 196). Such a situation has deepened the local market’s dependency on foreign imported goods, especially from China.

In the 1980s and the 1990s, African merchants flocked to the bi-annual Canton Fair in Guangzhou. The Canton Fair started in 1957 and has since become the largest international trade fair in China. It is one of the preeminent expo events where Chinese manufactured goods are displayed and ordered for export to different corners of the world. The African markets found their “gold mine in the east” here and their needs were met by inexpensive means. In the late 1990s, many more individual dealers traveled from Sub-Saharan countries to Guangzhou to order goods outside of organized fairs and events.

The traders today mainly come from Nigeria, Ghana, Mali, Cameroon, Senegal, Kenya, and Tanzania. The majority are identified as Nigerian Igbo, who are mainly Christians from Nigeria’s eastern regions. Compared to their other African counterparts, these Igbo usually stay for longer periods in China and sometimes manage to open multiple shops in China, earning a reputation of being “very good at business.” My Igbo friends said that they had to be good at business to survive, “If you want to know about Igbo, you need to know the history of the Biafran War”: a Nigerian ethnic war in the late 1960s which resulted in the mass expropriations of Igbo wealth and property. “We became the poorest ethnic group and we could not enter good entry-level jobs because we were discriminated against. So Igbo had to stand on their own feet and make profits from whatever possible means,” one trader in Guangzhou said. Here is the story of another trader:

Eric, who now owns two clothing shops in Guangzhou and Lagos, is one of the many traders who has started his business from scratch in China. When he was a 15-year-old boy in the Imo state of Nigeria, his family contacted a local clothes shop. They reached an agreement to let Eric become an apprentice in the shop. In the following 9 years, Eric worked as a shop assistant while he learned about the textile market and sale techniques. He, as an apprentice, would only receive food, accommodation, and pocket money, but at the end of his apprenticeship Eric's master rewarded him a small fortune in money, allowing him to start his own business. By that time Eric had already heard about the “gold rush” in China, so he bought a flight ticket to Beijing, where he met some other African traders who told him of better opportunities in the south, in Guangzhou. With the money he was given by his master, he became successful by buying clothes from

Chinese local factories and selling to other African traders in Guangzhou and also to Nigerian consumers in his Lagos shop.

Eric is among the fortunate traders who became successful with their previous experience as merchants in Africa. Some of them come from a middle-class family background and have attended universities back in their home countries. I know several traders with bachelor degrees such as business management, electrical engineering, biochemistry, and even philosophy. Like other college graduates in general, they do not find book knowledge useful in actual trading and have to find consultants in Guangzhou. Eric offers consultancy services to his peer traders new to China, for an undisclosed commission. He told me that even so, some traders were not willing to come back to China because they expected a better profession than that of a low-end trader. Eric sneered at these people, “The job market in Africa is bad. There is a better chance of getting money in China.”

There are also many traders from relatively lower-middle class family backgrounds. They had to make harder efforts to find their way to China. Jeff’s story is typical:

Jeff was sent to become an apprentice in a clothing shop when he was 13 years old. He served his master for 9 years before his master let him go with an amount of money sufficient to come to China. He bought a one-way ticket to Hong Kong three years ago and then crossed the border to Guangzhou. By then, he did not have enough money left over to start a shop or buy much inventory. So he talked to a few people like himself and found employment in a Ghanaian logistics shop, where he became a laborer, transporting bulks of goods for freight or shipping. He worked for 2 years and, together with previous savings, he accumulated enough to open a shop. He is now married a local Chinese woman and both work in the shop selling clothes and offer consultancy services to short-term traders.

Less fortunate traders end up losing all their money; my estimate is that about half of the African traders who come to China lose the money their relatives invested with them. Desperate traders sometimes make a scene at the market after losing a lot of money. Eric's new Nigerian neighbor on the same market floor once started a fist fight with Eric. It turned out that the man, without knowledge of how to run a clothing business, had no customers for two months and was about to go broke; he blamed the surrounding shops for “stealing his customers.” It proved to be a very ineffective tactic, because after that incident no Africans would talk to him. A month later, his shop was closed. Some said that this man and his Chinese wife from Hebei had to depart for Nigeria.

Economic benefit is the primary reason for traders to come to China. Every trader seeks to become rich so that they could have a better life. Most Africans I know want to use the money to open shops in their homelands. There are a few others who have an ambition to invest in political campaigns in Africa with the hope of becoming

politicians so that they could move up the social hierarchy much faster than they could through trading. Several traders who used to be soccer players in Nigeria, participated in soccer matches in Guangzhou and Dongguan, with the hope of being noticed by some famous coach from the United States or Europe. Meanwhile, they also trade to accumulate capital for themselves and their relatives. Few African traders, however, view China as a home. “China is not my place. I come here just to make money. Nothing else. Once I get the money I want, I will leave.”

## **The Markets**

Within and around Guangzhou, I conducted three months of fieldwork, concentrating in the Sanyuanli (三元里), Xiaobei (小北) and Foshan (佛山) districts. These three districts house the majority of the African population in Guangdong province and are distinctly different from neighboring communities. Sanyuanli, where I spent most of my time researching, is a Nigerian- and Ghanaian-based market and has a large population of long-term African middle-men who sell goods to traders coming from West Africa. Xiaobei is mainly populated by Muslims and is a more expensive market, where there are more short-term traders from Islamic areas in Africa and the Middle East, such as Mali, Senegal, Guinea, Northern Nigeria, Yemen, and Jordan. Foshan is a neighboring city of Guangzhou, but its cheap rent and convenient transportation links with the above two trade areas make it a major African residential area, especially for traders who cannot afford hotels or do not hold valid visas.

There are two kinds of markets in Guangzhou that African merchants go to: “African markets,” where there is a high percentage of African-owned shops, and Chinese wholesale markets, where stores are managed by Chinese locals. The former is a popular trade destination, particularly for short-term traders from Africa, because they can easily find business consultants and shop assistants who speak fluent Igbo, French, and Arabic. As discussed later, there are also many informal agencies in these markets that facilitate the needs of African traders in terms of finance and living. The latter category of markets, on the other hand, mainly accommodate the Chinese buyers and there is much less accommodating to African traders. The language spoken in these markets is Chinese and there are no money exchange stalls for traders who only carry U.S. currency, the standard currency taken out of Africa. Africans who go to these Chinese markets are usually either big clients who can afford hiring Chinese interpreters or “localized Africans” who have stayed for a lengthy period in China and often have shops/companies in the African market targeting short-term traders.

Sanyuanli, with approximately 20 percent of its shops managed by Africans, is a typical “African market” in Guangzhou. There are several trade buildings hosting a variety of small shops selling different kinds of products, as summarized in the following table.

Buildings/Centers	Trade Goods
Tangqi (唐旗), Canaan (迦南), Old Tian (天恩), New Tian (新天恩), Baile (柏樂)	Clothes, hand bags, shoes, electronics
Meibo (美博)	Cosmetic products, perfume
Ziyuangang (梓元崗)	Leather products, backpacks, hand bags

**Table 1. Trade buildings and goods in Sanyuanli.**

The African shops are not much different from the Chinese shops in terms of appearance. The clothes stores are stuffed with stocks of shirts piled up waist high. At the store front, people affix steel chains to the ceiling for hanging colorful shirt samples as displays. The clothes on display change almost on daily basis and one can always sense the invisible hand of the market, as styles change to accommodate the desires of customers. In Tangqi building, the African shop owners and shop assistants generally occupy the public resting area and corridors as they pile up clothing stocks that they can no longer fit in their small shops.

The African shops and the Chinese shops are distinctly different in one important respect: while many Chinese rent stores directly from the administrative department of the market, the Africans almost always get sublets. One can easily observe this by looking at the business license papers on the wall of these shops. To find a shop to start a business, some African traders find Chinese networks and some contract the services of real estate agencies or just look around for street advertisements. The Chinese use sublets too, but for Africans it is out of necessity rather than choice, unless they have Chinese wives or business partners. This is because for them, it is always best to avoid formally registering anything with their passports, thus avoiding *mafan* (trouble). The word *mafan* is probably the most popular Mandarin word among Africans in China, except perhaps *wo ai ni* (I love you). In one trader's opinion, "They (the police) require everything to be registered with my passport. When I check into a hotel, the staff needs to scan my passport. When I find a house to live, they need my passport. When I rent a shop, they want my passport. You Chinese are *mafan*. So many Chinese in my country (Nigeria) and we never give them *mafan*." *Mafan* in the context of registering means that their information can be easily traced by the Chinese police in the case that their visa expires, making it harder for these traders to return to China.

The existence of underground banks is a consequence of traders seeking to avoid having to present their passports to the authorities. The illegal money exchange stores are operated by Chinese who deal with the business community very discreetly. In Xiaobei, where police control is stricter, money exchange services are available by telephoned request and the business environment is a restaurant or café where the police are less likely to raid. In Sanyuanli, on the other hand, the money exchange

providers take up the disguise of a clothes shop to blend into the market. Nevertheless, it is still easy to tell them apart from bona fide clothes shops, in that these shops never actually sell any clothes. A typical underground bank in Sanyuanli often looks like a clothes shop that is that about to go out of business: there are just a few jackets or shirts hanging on the wall and there is no inventory in the shop. The interior space is divided into two by a transverse thin wall with a small door. In front of the wall, there is a writing table where the shop owner sits at and drinks tea. African traders come by and walk directly to the room behind the thin wall where no one catches the sight of their transaction.

The Chinese government forbids currency exchange outside of legal banks, which are usually government owned. It is a common irony to see an official notice saying “No illegal money exchange activity!” right next to these illegal banks. These underground bankers are never harassed by the authorities, with many of them having personal connections within the government banks. These banks make profits from the exchange rate difference compared to the official exchange rate; the exchange rate offered at the underground banks are worse than the normal banks, but the foreign traders still go to these banks so that they do not have to go through the process of presenting passports. Newcomers may be curious about the credibility of these underground banks, because there is no security watching the door and there is no guarantee that the large amounts of RMB notes are authentic. But strangely enough, my African informants have never heard of a single case of money fraud at the money exchange. A trader explained, “They don't need to cheat. If they cheat, they don't have business anymore. It's not worth it.” Other than immigration raids targeting visa overstayers, the market remains a peaceful and secure location for money transactions.

Money transfer services, on the other hand, are offered by the African logistics companies rather than by the Chinese underground banks. The firms also offer “Customs clearance” services, which involve clearing the Customs barriers for imported goods in West Africa. Although Customs brokerage is a licensed profession in many countries, the ones in the African markets in China are illegal. My informants said that their method of clearing the barriers was to bribe the Customs officials. The logistics firms transport money, goods, samples, and sometimes gifts for mostly African clients. Since they are handling large sums of cash and goods and crossing national borders, every logistics company has to be trustworthy and have diverse networks in the industries of flight and freight. Their also have connections with many flight attendants, who provide personal luggage quota during each flight and use it to transport goods and money envelopes between the two continents. The goods are charged by the kilo at a fixed rate. On the leaflets of these logistics companies that send goods to Nigeria, the kilo rates usually have several price ranges: for container, for air cargo, price for contraband goods and banned goods. The last price range contains fee to pay off the Customs in Nigerian ports.

## **African Entrepreneurship in China**

The most frequently traded clothes in the African market are made of cotton, from farms located in various northern Chinese provinces. The clothes factories in the Yangtze River Delta and Pearl River Delta buy the cloth and apply various fashion designs; these clothes are then sold through agencies at wholesale markets. Retailers from all over China and West African countries come to the wholesale markets and purchase clothing in bulk of various designs. The Africans, who have their own stores in Guangzhou, then divide the clothing into smaller shares to sell to short-term African traders, as in the case of the Sanyuanli market. The traders then ship the goods they bought by air and sea back home, where they sell the goods in their family-run stores or to other African local retailers.

“Money is the priority here.” I was told by a trader. “You need to be smart and be aware of those who approach you. They always want something from you. You make sure you get something from them too.” To become a successful entrepreneur, an African trader has to learn how to be street-smart while doing business in China.

An African trader needs to realize three things when participating in the industry. First, there is a tremendous profit margin on a single piece of clothing from the moment it is produced in the factory until purchase at a commercial retailer. Every market participant tries to earn a share by squeezing themselves somewhere into the industrial supply chain. Clothes traders clearly benefit from buying in and selling out textile goods, but there is also a large subsidiary industry that relies on them, like the underground banking and logistics industries, which all add to the final cost of the piece of clothing. It is amazing how many interest groups can take profit from this process. Even an interpreter can increase the cost of the product. As I accompanied my informants to a wholesale market and helped them with translation, many wholesalers would first ask me “do you charge a commission?” Then I realized that it is very common for an English interpreter to charge a sum of money, typically 0.5%, to help conduct business smoothly. The interpreters determine in large part how well the communication goes between the wholesaler and the African trader. Just by adding more positive adjectives to the translation, an interpreter can influence the decision-making of the buyer.

Second, any price fluctuation in the upper industrial chain can make a huge difference, and such fluctuations are closely linked to ongoing political and social issues. In 2010, the price for raw cotton material sharply increased and reached the highest price of the last 15 years. It is reported that cotton prices increased by 20% during Mid-Autumn Festival<sup>1</sup>. African traders could pay some 25RMB for a shirt of average workmanship in 2008, but now most shirts cost over 30RMB per piece. The profit loss is huge for traders, as they buy tens of thousands of pieces. A trader told me that since he had only about 20,000RMB, he ended up buying much less than he had

---

<sup>1</sup> Middle-autumn festival in 2010 was from 22/9 to 24/9. The data is retrieved from cottonchina.org, on 09/10/2010 at <http://www.cottonchina.org/news/pubzmb.php?articleid=104164&newstime=2010-10-09>.

come to expect with his experiences from a year earlier. He said:

I had to pay much more for each shirt. Do you know what that means to me? I will have to sell at higher prices and people may not buy from me. They will go to shops that offer lower prices because they have cheaper stocks or they have connections with factories. Maybe somewhere the cotton farmers decided not to plant cotton anymore and go to work in the city, but this is bad for me and my clients. Now even the value of the RMB is so high, my money will be gone soon. I need to do something. I must find cheaper sources, or I will go to cheaper countries like India.

Third, fashion matters. It is risky for a trader to purchase large quantities of clothes within a short period, because he may have no buyers at all when fashions in Africa change. Compared to electronics and mobile phones, the clothing business is much more fickle in terms of style. The fashion in the Sanyuanli clothing market changes on weekly basis and sometimes even more quickly. One can simply record the different arrangement of clothes on display on the shop fronts to understand the changing fashions of distant Sub-Saharan markets. The clothes sold from China and the African local fashion trends have a mutual influence on each other. An African trader said, "I ask my brothers in Nigeria to tell me what design is popular there. But sometimes when every trader sells certain kinds of clothes from here, it will form a trend in Nigeria." African shop owners in this sense are better positioned than their Chinese competitors not only because they share a common language with their African clients, but also because they can better understand fashion trends back home.

The stories of African traders in China often involve contesting legal boundaries both in China and Africa. As mentioned above, many traders overstay their visa in order to gain more time for doing business. To avoid showing their passports to the authorities, they go to the underground banks in Guangzhou. In the case of the textile trade to Nigeria, bringing Chinese manufactured clothes into the country is forbidden, but the majority of Igbo traders are engaged in the clothing business and almost everyone finds ways to smuggle the goods back into Nigeria. In the African market, everyone is aware of the semi-legality of their activities and that they need to look for other means to build up their credibility profile, while at the same time, deceive as much as they can to gain more profits.

The first key to success is networking. The business generally relies on trustworthy networks and credible employees. By knowing the right people, a trader can know where to find a certain product, which factory to contact, how to find the cheapest cargo service, whom to share a freight container with and so on. Many African traders first came to China along with friends who had prior experience doing business in China; at very least, they had talked to such people. Cliff, who used to be a soccer player in Nigeria, told me how he found his way to becoming a trader through networks. To quote from my fieldnotes:

Cliff was enthusiastic about playing football and played for a club back in Imo Nigeria

from his early adulthood. The job was not well paid and he, like his peers, wanted to go to Europe or North America to play professionally. Some friends in the club shared with him the story of finding money in China, but he thought it was too far away. Later his soccer team went to Singapore to play and he lived there for a few months. Cliff worked as a part-time laborer at the port where he again saw containers of Chinese manufactured goods and decided that it would be good for him to go to China. He talked to sailors and friends who went to China many times and built up a few contacts; then he headed to Hong Kong where he met more friends and traveled to Guangzhou with them. He stayed at a friend's house at night and work as a laborer at a Nigerian logistics shop during the day. In two years, he was able to open his own cargo firm, using his connections at the container companies and ports. Now Cliff hires new laborers for his firm and has opened a warehouse in Nigeria, where his family sells goods.

Traders who have excellent social skills often have similar stories to Cliff's, but there are other ways to expand networks too. The most popular social locations for Africans in China are the churches and voluntary soccer clubs. In Xiaobei, Muslim traders often go to the Xiaodongying Mosque. Catholics go to the Shishi church. The Mosques and Catholic churches in Guangzhou are usually approved by the local government, while the Protestant churches are often not recognized by the Chinese government, and operate underground. There are several local soccer teams, each organized usually according to the nationality of the players. Regular soccer "world cups" are held in both Guangzhou and Dongguan, where teams of nationals from Nigerian, Ghana, Cameroon, Brazil, Japan, Korea, and France join the games. The churches sometimes also organize friendly matches during weekends. A trader's presence at these religious/sport activities greatly enhances their credibility among peers and their ability to make connections is substantially enhanced.

These networks can also be bought through "consultancy" services, often advertised on the name cards of African shop owners. Eric is one of the many business consultants in China. When the economy is bad for buying products for his own store, Eric turns to offering consultancy services for newcomers. The summer time is a trade season when many short-term traders come to China and Eric is often busy picking up his "friends" from the airport or train station to show them around Guangzhou. He offers information on sourcing, and in case his clients need to leave China before the goods are ready, he will help with quality checks and shipment. Eric said consultancy brings in most of his income during summer. "I gain from charging for the service and also from the Chinese factories. They know very well that they need to pay me a percentage of commission. If they don't, I won't bring them business next time. After all, it's fierce competition."

Playing tricks and avoiding being cheated are important to street-smart entrepreneurs. "I prefer to call it business management," a trader said. "I've studied in business school. Many big companies cheat by getting away with not paying some taxes, or underpaying the employees, or exaggerating profits to increase stock value. We cheat in similar ways." They "manage the business" in a down-to-earth sort of

style: freeloading bus rides, reporting their goods as something else at Customs, pretending to be short of money while bargaining, and delaying picking up goods so that they could use the supply factory for temporary storage. However, these tricks do not have the scale and influence to jeopardize social order or economic well-being, so they are more or less accepted.

Counterfeiting, on the other hand, is contesting the boundary between legal and illegal, order and disorder. It is common for an African to send an original sample through a logistics company to Guangzhou where local factories then manufacture thousands of copies of it. These samples are often European or American branded lighting systems, auto parts, computer components, electronic audio systems, shirts, and jeans. Once I saw a photo of an African trader leaning against a German construction scraper and at the bottom of the photo was written: "I want two of this machine made in China." It is also common for traders to download clothes patterns from online, or travel to Hong Kong where they can buy several brand-name shirts and then mass produce them in Guangzhou. It is not difficult to find Chinese private factories that copy everything from glasses frames to electric generators. China is one of the few places in the world that has a highly productive manufacturing sector at a low cost and with an absence of intellectual property protections.

The morality issue of bringing in large quantities of copied goods into Africa is complicated for many traders. Walking in Sanyuanli and Xiaobei, everyone knows the goods on display are counterfeit. They understand well that they are cheating the capitalist system by taking advantage of technologies and designs that large corporations have spent billions investing in. They accept the fact that the influx of Chinese manufactured products may hurt the African local manufacturing industries, but still, most claim that "what I do is good for Africa." A trader said,

"Not many people in my country can afford original products from Europe and America. There is no way we can produce things in Nigeria as cheaply as China can. Why we come to China is because it is cheaper than everywhere else. Because of the goods I take back, African people can buy more variety of things at lower prices. For a long time, we could only get second-hand "dumped goods" from Europe and we are sick of that. We want something better and I am bringing Africans something better."

China is embarrassed by its involvement and complicity with African migrants in its own community, to profit from producing what is probably the largest amount of fake goods in the world, which undermines its effort to build up the images of its cities as being developed and global. Between the 2008 Beijing Olympics and 2010 Asian Games in Guangzhou, frequent police raids have occurred both in African markets and the traders' residential district. Since then, the African traders have had to become street-smart in dealing with the Chinese police too. It is said that even Africans who hold legal visas and licenses everything must look out for themselves because "the police with 'mufti' (undercover police) sometimes just arrest whoever is of black skin, causing chaos in the market." If an undercover policeman is by himself,

the traders have learned to pay a bribe to get away. In case of serious raids, the traders pay the security guards to leak information about when the raid will happen and everyone will rapidly close their shops and hide for several hours. One also must learn the quickest routes to escape from each market building and the best locations for hiding.

In late July 2010, another African protest took place in Tangqi. It was one of many demonstrations that were not reported since the July 2009 incident. A group of undercover police ran into Tangqi and several other market buildings nearby to arrest traders with expired visas. With the help of a market security guard, they caught a Nigerian man, beat him up, and sent him to detention. African shop owners were outraged at the corrupt security unit of the building for helping the police; they shut down all African shops and stood in the corridor, loudly chanting protests. The “peace maker”, an African senior responsible for solving disputes, sought a meeting with the building manager. He said, “Our people try to do business here and we never get involved with drug problems or other crimes. The market should be a peaceful place for trading and the security should ensure that. Why did they sell us out? Why do the police only target Africans but not also other foreigners in China?” The ordeal ended as the traders organized among themselves and negotiated with the manager, who eventually dismissed the head of the security unit. Everyone knew that in the future they had to protect themselves and act “smarter” through networks rather than rely on the security guards for protection against police.

## **Conclusion**

Approaching the 2010 Asian Games, many African traders are returning to their home countries or leaving for other trade destinations. Eric and Jeff and many other shop owners are considering closing their businesses in Guangzhou and leaving for other cities or countries, because “China is only for business, but it is not good for living.” Compared to developed regions in Europe and North America, China lacks a secure investing and living environment for these traders. Nonetheless, the availability of cheap contraband products is something the traders cannot find in developed countries. As labor costs continue to rise in China, these traders may migrate to find cheaper manufacturers in Southeast Asia, but before then, the traders enjoy the benefits of bringing affordable non-second-hand “first world products” to Africa.

This is economic globalization from below, allowing markets of the underdeveloped regions to connect to the developing and even the developed world. These individual traders differ from those Canton Fair traders or businessmen from international firms in the sense that they do not own or represent any companies back in their countries, nor do they have considerable funds for placing substantial orders. Instead of attending the trade fair held in officially built expo halls, these traders gather around the old railway station where shops are sub-let to Chinese and African migrants, who are more likely to sell fake goods and participate in semi-legal activities. Instead of getting an official invitation letter to stay in China for three months, the traders find ways to “buy” invitation letters from Chinese suppliers they

do not even know and, if they need to, overstay their visas. Instead of staying in nice hotels, these traders find free accommodation through networks or stay at specially discounted rooms in cheap hostels. Instead of having institutional guarantees and certificates, these traders may have nothing more than an oral promise or a hand-written receipt that is kept off the books. At the center of the “world’s factory,” Guangzhou, these African traders can be seen as an individual force that reaches out from their hometowns to gain profits from what is available since contemporary globalization: fast transnational transportation, convenient communication, mass manufacturing, and advertising of name brands. These traders show how traders with little start-up capital from less developed economic areas of the world can potentially build up entrepreneurial enterprises across continents. This is not to say that these African traders have business and lives that are easy—all that I have written in this chapter shows that they may indeed be very difficult—but only that transnational success, the dream of these traders, is at least possible,

## References

- Aggarwal, Vinod. 1985. *Liberal Protectionism: The International Politics of Organized Textile Trade*. Berkeley: University of California Press.
- Alden, Chris. 2007. *China in Africa*. London; New York: Zed Books.
- Ampiah, Kweku and Sanusha Naidu. 2008. "Introduction: Africa and China in the Post-Cold-War Era." In *Crouching Tiger, Hidden Dragon?: Africa and China*, pp. 3-19. Scottsville: University of KwaZulu-Natal Press.
- Appadurai, Arjun. 2006. "Disjuncture and Difference in the Global Cultural Economy." In Paul Erickson and Liam Murphy eds., *Readings for a History of Anthropological Theory*, pp. 514-524. Peterborough CA: Broadview.
- Aronowitz, Stanley and Heather Gautney. 2003. "The Debate about Globalization: An Introduction." In Stanly Aronowitz, Heather Gautney, and Clyde Barrow eds., *Implicating Empire: Globalization and Resistance in the 21st Century World Order*, pp. Xi-xxx. New York: Basic Books.
- British Broadcasting Corporation (BBC). 2002. "Nigeria Bans Textile Imports." At <http://news.bbc.co.uk/2/hi/business/2296025.stm> assessed 28 October 2010.
- Bello, Walden. 2002. *Deglobalization: Ideas for a New World Economy*. London; New York: Zed Books.
- Burbach, Roger, Orlando Núñez, and Boris Kagarlitsky. 1997. *Globalization and Its Discontents: The Rise of Postmodern Socialisms*. London; Chicago: Pluto Press.
- Carmody, Pdraig. 1998. "Neoclassical Practice and the Collapse of Industry in Zimbabwe: The Cases of Textiles, Clothing, and Footwear." In *Economic Geography* 74(4): 319-343.
- Chakraborty, Debashis and Amir Ullah Khan. 2008. *The WTO Deadlocked: Understanding the Dynamics of International Trade*. New Delhi; Thousand Oaks, CA.: SAGE.
- Choate, Pat. 2005. *Hot Property: The Stealing of Ideas in an Age of Globalization*. New York: Random House.
- Engardio, Pete. 2007. *Chindia: How China and India Are Revolutionizing Global Business*. New York: McGraw-Hill.
- Falk, Richard. 1999. *Predatory Globalization: A Critique*. Cambridge: Polity Press; Blackwell.
- Giddens, Anthony. 1998. *The Third Way: The Renewal of Social Democracy*. Cambridge; Malden, MA: Polity Press.

- Kapstein, Ethan. 2001. "The Third Way and the International Order." In Anthony Giddens ed., *The Global Third Way Debate*. Malden, MA.: Blackwell Publishers.
- Li, Anshan. 2008. "China's New Policy toward Africa," In Robert Rotberg ed., *China into Africa: Trade, Aid, and Influence*, pp.21-48. Washington D.C.: Brookings Institution Press.
- Li, Zhigang, Laurence Ma, and Desheng Xue. 2009. "An African Enclave in China: The Making of a New Transnational Urban Space." In *Eurasian Geography and Economics* 50 (6):699-719.
- MacGaffey, Janet, and R ény Bazenguissa-Ganga. 2000. *Congo-Paris: Transnational Traders on the Margins of the Law*. Bloomington: Indiana University Press.
- Mathews, Gordon. 2007. "Chungking Mansions: A Center of 'Low-End Globalization.'" In *Ethnology* 46(2):169-183.
- Micklethwait, John and Adrian Wooldridge. 2003. *A Future Perfect: The Challenge and Hidden Promise of Globalization*. New York: Crown Business.
- Midler, Paul. 2009. *Poorly Made in China: An Insider's Account of the Tactics behind China's Production Game*. Hoboken, N.J.: Wiley.
- Mohan, Giles, and Marcus Power. 2009. "Africa, China and the 'New' Economic Geography of Development." In *Singapore Journal of Tropical Geography* 30: 24-28.
- Ogunsano, Alaba. 2008. "A Tale of Two Giants: Nigeria and China." In *Crouching Tiger, Hidden Dragon? : Africa and China*, pp. 192-207. Scottsville: University of KwaZulu-Natal Press.
- Prah, Kweisi Kwaa. 2007. "China and Africa: Defining a Relationship." In *Development* 50(3): 69-75.
- Rotberg, Robert. 2008. *China into Africa: Trade, Aid, and Influence*. Washington, D.C.: Brookings Institution Press.
- Scholte, Jan Aart. 2005. *Globalization: A Critical Introduction*. Basingstoke, Hampshire; New York: Palgrave Macmillan.
- South China Morning Post* (SCMP). 2009. "Guangzhou's African Bind". 29 November, p. 12.
- Stroller, Paul. 2002. *Money Has No Smell: The Africanization of New York City*. Chicargo and London: The University of Chicago Press.
- Tull, Denis. 2006. "China's Engagement in Africa: Scope, Significance and Consequences." In *Modern African Studies* 44(3): 459-479.
- Waldron, Arthur. 2008. *China in Africa*. Washington, D.C.: Jamestown Foundation.

Zafar, Ali. 2007. "The Growing Relationship Between China and Sub-Saharan Africa: Macroeconomic, Trade, Investment, and Aid Links." In *The World Bank Research Observer* 22(1):103.

Zhong, Dianzhou (鐘殿舟). 2009. 有一種模式叫山寨 (There is a model called Copycatting). 武漢: 武漢大學出版社 (Wuhan: Wuhan University Press).